Registered number: SC440454

KEYPRINT SECURITY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

KEYPRINT SECURITY LIMITED
REGISTERED NUMBER: SC440454

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	4		93,909		108,371
Tangible assets	5		53,192		67,552
			147,101		175,923
Current assets					
Stocks		675,975		743,652	
Debtors: amounts falling due within one year	6	301,279		345,258	
Cash at bank and in hand		2,824		1,663	
		980,078		1,090,573	
Creditors: amounts falling due within one year	7	(970,863)		(994,748)	
Net current assets			9,215		95,825
Total assets less current liabilities			156,316		271,748
Creditors: amounts falling due after more than one year	8		(98,232)		(239,587)
Deferred tax	10		(5,218)		(8,360)
Net assets			52,866		23,801
Capital and reserves					
Called up share capital	11		300		300
Profit and loss account	12		52,566		23,501
			52,866		23,801

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Jiwa
Director

Date: 16 July 2020

The notes on pages 3 to 12 form part of these financial statements.

1. General information

Keyprint Security Limited is a company limited by shares and incorporated in Scotland, SC440454. The address of its principal place of business is 45 Assembly Street, Edinburgh, EH6 7BQ.

The prinicipal activity of the company during the year was the wholesale supply of security products.

The functional currency of the company is Pounds Sterling as this is the currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have carefully considered the impact of COVID-19 on the business. Business stopped during the initial phases of the UK lockdown and is now beginning to restart. The directors have utilised the Coronavirus Job Retention Scheme in order to protect cash flow during this period and are confident that business will return to health over the next 12 months as COVID-19 restrictions in the UK are scaled back.

These financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	3 %	straight line
Software	-	20 %	straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	4%
Fixtures, fittings & equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions

The company contributes to certain employees' personal pension schemes and the pension charge represents the amounts payable by the company in respect of the period.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 23 (2018 - 26).

4. Intangible assets

	Software	Goodwill	Total
	£	£	£
Cost			
At 1 January 2019 and at 31 December 2019	44,105	189,500	233,605
Amortisation			
At 1 January 2019	14,702	110,532	125,234
Charge for the year	8,821	5,641	14,462
At 31 December 2019	23,523	116,173	139,696
Net book value			
At 31 December 2019	20,582	73,327	93,909
At 31 December 2018	29,403	78,968	108,371

5. Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2019	42,982	273,030	316,012
Additions	-	666	666
At 31 December 2019	42,982	273,696	316,678
Depreciation			
At 1 January 2019	10,233	238,227	248,460
Charge for the year on owned assets	1,693	13,333	15,026
At 31 December 2019	11,926	251,560	263,486
Net book value			
At 31 December 2019	31,056	22,136	53,192
At 31 December 2018	32,749	34,803	67,552

6. Debtors

	2019	2018
	£	£
Trade debtors	290,939	300,118
Other debtors (note 14)	-	40,039
Prepayments	10,340	5,101
	301,279	345,258

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdraft	25,831	58,459
Other loans (note 9)	88,807	96,563
Trade creditors	328,003	407,414
Corporation tax	26,778	30,500
Other taxation and social security	60,655	27,638
Net obligations under finance lease and hire purchase contracts	5,576	15,659
Other creditors (note 15)	337,243	358,515
Director's loan account (note 14)	97,970	-
	970,863	994,748

Included within other creditors is a balance of £204,476 (2018: £217,937) due to RBS Invoice Finance. The amount is secured by a floating charge held over the assets of the company.

The bank overdraft is secured by a personal guarantee from N Jiwa.

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans (note 9)	98,232	234,011
Net obligations under finance leases and hire purchase contracts	-	5,576
	98,232	239,587

The hire purchase creditors are secured over the assets to which they relate.

9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Other loans	88,807	96,563
Amounts falling due 1-2 years		
Other loans	51,442	79,730
Amounts falling due 2-5 years		
Other loans	46,790	154,281
	187,039	330,574

10. Deferred taxation

	2019 £	2018 £
At beginning of year	8,360	4,122
Released to profit or loss	(3,142)	4,238
At end of year	5,218	8,360

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	5,218	8,360

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
300 (2018 - 300) Ordinary shares of £1 each	300	300

12. Reserves

Profit & loss account

This reserve contains all current and prior period retained profits, losses and equity distributions.

13. Pension commitments

The company contributes to certain employees' personal pension plans. The pension cost charge represents contributions payable by the company and amounted to £8,182 (2018: £7,350). Contributions totalling £nil (2018: £nil) were payable to the fund at the balance sheet date.

14. Transactions with directors

Included within (creditors) / debtors is a directors' loan account of (£97,970) (2018: £40,039). This amount is due to S Jiwa, F Jiwa and N Jiwa jointly. The balance is unsecured, interest free and has no fixed repayment terms.

15. Related party transactions

Included within other creditors is £115,050 (2018: £129,228) due to Keyprint Partnership, a partnership in which S Jiwa, F Jiwa and N Jiwa are all partners. This amount is unsecured, interest free and has no fixed repayment terms.

During the year £50,000 (2018: £60,000) of rent was paid to Keyprint Partnership. This transaction was carried out on normal commercial terms.

16. Post balance sheet events

On 30 January 2020, the World Health Organization declared COVID-19 a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak within the accounting policies. The directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.2.

17. Controlling party

In the opinion of the directors there is no ultimate controlling party.